

Retiree Report

Open Enrollment for 2006 Benefits

October, 2005

A Quarterly Publication from the
Fairfax County Retirement Administration Agency
Designed for County Government Retirees~

Open Enrollment Oct 14 - Nov 14, 2005

Changes Become Effective January 1, 2006

Included in this package is a special "Focus on Benefits" issue that specifically addresses retiree benefit information. Open Enrollment gives eligible retirees the opportunity to make changes in health and dental insurance coverage. This edition of the Retiree Report includes insurance rates for 2006 and specific information to help you make your benefit plan decisions.

If you plan to make changes to your health coverage, please send us an enrollment/change form. These forms are available by calling the Retirement Administration Agency (RAA) and telling us which health plan change form you need (e.g. CareFirst, CIGNA, or Kaiser).

ALL FORMS should be returned to the Retirement Administration Agency at 10680 Main Street, Suite 280, Fairfax, VA 22030. Please **DO NOT return forms to the insurance companies or the Department of Human Resources. It is **not** necessary for you to submit an enrollment/change form for your health insurance if you do not plan to make any changes. If you are making a change to your address, phone number or other personal information, please mark your form in the upper right hand corner with the words "Change of _____". This note will help us expedite the change.**

Have a safe
and
happy Fall

Highlights to look for in the "Focus on Benefits"

- **Increased subsidy for 2006 ONLY**
(See pages 1 and 3)
- **New ID Cards for CareFirst Members --**
to help protect against identity theft - CareFirst will no longer use your Social Security number as your ID Number. *Make sure your doctors and pharmacy know that you have a new number or claims may not process correctly. Pay particular attention to your ID number when you are sent for labwork or referrals -- follow-up to make sure both doctor and Lab use your new CareFirst ID #.* (See page 2)
- **CIGNA Service Area expanded**
to cover most of Virginia and all of Maryland and D.C. (See pages 2 and 10)
- **New (Higher) Kaiser and Cigna Rx Co-pay Amounts** (See page 2)
- New (more strict) definition of **Eligible Dependent Children** — effective January 1 for all newly added dependents. (See pages 2 and 6)
- **Qualifying Change** in Family Circumstances Rules have been updated. (See pages 2, 14 & 15)

CY 2006 Health Insurance Monthly Premiums for Retirees

Rates Effective January 1, 2006 through December 31, 2006

Health Insurance Plan Options

**Monthly
Premiums for ALL
Retirees**
(without subsidy)

CareFirst FairChoice+ BlueChoice

Individual -----	\$452.20
1 Individual with Medicare -----	315.80
2 Individuals -----	888.66
2 Individuals - 1 with Medicare; 1 without Medicare -----	768.00
2 Individuals with Medicare -----	631.59
Family -----	1,306.94
Family - 1 Medicare -----	1,218.44
Family - 2 Medicare -----	1,129.94
Family - 3 Medicare -----	1,041.44

CareFirst Blue Preferred PPO

Individual -----	\$ 520.02
1 Individual with Medicare -----	363.18
2 Individuals -----	1,021.96
2 Individuals - 1 with Medicare; 1 without Medicare -----	883.20
2 Individuals with Medicare -----	726.35
Family -----	1,503.00
Family - 1 Medicare -----	1,414.50
Family - 2 Medicare -----	1,326.00
Family - 3 Medicare -----	1,237.50

CIGNA

*Please Note: CIGNA does not provide a Medicare Risk Plan - If you or your spouse is age 65 or over, **DO NOT** choose CIGNA as your provider.*

Individual -----	\$ 358.62
2 Individuals -----	699.34
Family -----	1,043.58

Kaiser Permanente

Individual -----	\$ 331.70
2 Party -----	646.80
Family -----	961.92
Individual with Medicare* -----	272.38**
2 Individuals with Medicare* -----	544.76**
2-Party; 1 with & 1 without Medicare* -----	604.08**

**Only available to existing Kaiser members who turned age 65 prior to January 1, 2005*

These are the correct Kaiser rates - the three rates listed in the "Focus on Benefits" are **incorrect

If you are currently **NOT** enrolled in a County-offered health/dental plan, you are **NOT** eligible to enroll!

Who pays for retiree health and dental benefits?

Retirees pay the full cost of their health and/or dental insurance premiums. Retirees age 55 or older, or those retired on a disability, receive a monthly subsidy from the County toward the cost of a County health plan.

Monthly subsidy amounts for 2006 Only are reflected in the tables below:

Monthly Subsidy for Retirees <u>Aged 55-64</u>			
Years of Service at Retirement	Subsidy Amount	2006 Supplement	2006 Subsidy Amount
5 - 9	\$25	\$5	\$30
10 - 14	\$50	\$15	\$65
15 - 19	\$125	\$30	\$155
20 - 24	\$150	\$40	\$190
25 or more*	\$175	\$45	\$220

Monthly Subsidy for Retirees <u>65 and Over</u>			
Years of Service at Retirement	Subsidy Amount	2006 Supplement	2006 Subsidy Amount
5 - 9	\$15	\$15	\$30
10 - 14	\$25	\$40	\$65
15 - 19	\$100	\$55	\$155
20 - 24	\$150	\$40	\$190
25 or more*	\$175	\$45	\$220

*Includes retirees of any age covered under a County health plan who are approved for a service-connected disability retirement.

Fairfax County reserves the right to change or terminate the benefit provided or adjust premiums at any time. If you were not covered by a County life, health or dental plan at the time of retirement, you are not eligible for retiree coverage.

Retirees can pay their share of their health and/or dental insurance premiums in one of two ways: 1.) The premium, less the subsidy, will be deducted from the monthly annuity in the month prior to the month of coverage. 2.) If the individual does not receive an annuity, or if the retiree's check is not large enough to cover the monthly premiums, the retiree must pay any amount not covered by their annuity by mailing a personal check to the Retirement Administration Agency. Personal checks must be received by the Retirement Administration Agency by the 10th of the month to cover the next month's coverage.

Please Note:

Surviving spouses are entitled to a subsidy only if they receive a Joint and Last Survivor benefit.

Members retired on a service-connected disability will receive a subsidy of \$220.

Members retired on an ordinary disability receive a subsidy based on their years of service.

Retirees who were grandfathered at the \$100 subsidy level will receive the 2006 supplement based on their age and service.

New premium amounts will be deducted from December retirement checks onward.

Delta Dental Monthly Premiums for Retirees

	Monthly Premium
Individual -----	\$29.04
2 Individuals -----	\$54.86
Family -----	\$90.36

The County does NOT contribute toward the dental premiums for retirees

Premiums are deducted monthly, in the month prior to coverage.

For answers to questions concerning your dental coverage, please call Delta Dental at 1-800-237-6060 or visit www.deltadental.com

N O T E	Retirees may decrease coverage (drop family members from their insurance) at any time . However, levels of coverage may only be increased outside of an open enrollment period due to a qualifying change in status.
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Remember! If you discontinue your health or dental coverage, you are NOT eligible to regain coverage through Fairfax County!

Medicare Changes for 2006

UPDATE -----Medicare Part B premiums will increase to \$88.50 for 2006 and will have an annual deductible amount of \$124.

The deductible amount for **Part A Medicare** in 2006 will increase to \$952 for each benefit period.


By law, the Medicare Part B premium increase may not exceed any beneficiary's cost of living adjustment in their Social Security check.

By now, all Fairfax County retirees with County health insurance should have received a memorandum from the Retirement Administration Agency, signed by the County Executive. This memo discussed Medicare Part D and an increase in the health insurance subsidy for 2006. Please read the information on the front page of the "Focus on Benefits for Retirees" for specific information.

Although **the County Government health plans** offer prescription drug benefits that are as good as, or better than, Medicare's standard benefit, if you, your spouse, or a covered dependent are eligible for Medicare, you will need to evaluate both the County plan and the Medicare Part D plan to determine which option is best for you. In making your decision, keep in mind the increased subsidy that you will receive under the County plans for 2006. Also keep in mind that if you drop the County's plan, you will not be able to re-join in future.

Medicare's open enrollment for Medicare Part D runs from November 15, 2005 to May 15, 2006, with coverage beginning January 1, 2006 or the first of the month after you sign up.

Additional information on Medicare Parts A, B and D can be found at the internet site for the Centers for Medicare & Medicaid Services at www.cms.hhs.gov/ or at the Medicare internet site at www.medicare.gov.

 Two Retiree **Informational Meetings** are scheduled at the Government Center - both sessions will have a representative from the Centers for Medicare Services in attendance to address questions about Medicare Part D. Wednesday, Oct. 26 and Tuesday, Nov. 1 -- 10am-12noon.

Retirees and spouses are required to submit a copy of their Medicare card showing that they have both Part A and Part B Medicare coverage as soon as they become eligible to receive it. Retirees should apply for Medicare Part B three months prior to their 65th birthday and submit proof of coverage to the Retirement Agency as soon as they receive their card. Those who forget or those who choose not to accept Part B will be placed in the County's penalty group and will have to pay, out-of-pocket for any medical expenses that Medicare would have paid. Remember, while you have to pay for Medicare Part B, those retirees enrolled in FairChoice+ or the Blue Preferred PPO with Medicare coverage receive a lower rate than those without Medicare. Please do not turn down Medicare Part B coverage - it can be a costly mistake for you and your family. After a retiree receives Medicare coverage, Medicare becomes the primary source for payment of claims, and the Fairfax County Group (FCG) health plan becomes secondary.

Once a covered member turns age 65, the only options the retiree has are to switch his or her health insurance coverage to one of the CareFirst BCBS plans, (FairChoice+BlueChoice plan or the Blue Preferred PPO plan) or drop their County health insurance coverage. If one family member reaches age 65, the member must make a change for all.

Retirement Administration Agency

(703) 279-8200 (800) 333-1633
fax: (703) 273-3185

Walk-in hours are 11:00am - 2:00pm, Mon.-Fri.

Walk-in sessions should be limited to 15 minutes or fewer

Business requiring more than 15 minutes, and outside 11am-2pm should be scheduled in advance

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